

December 11, 1998

**EXECUTIVE SUMMARY  
DRAFT REQUEST FOR PROPOSALS FOR  
MANAGEMENT AND OPERATION OF  
THE OAK RIDGE NATIONAL LABORATORY  
RFP NO. DE-RP05-99OR22725**

The Department of Energy (DOE), Oak Ridge Operations Office (ORO), plans to award a performance based contract for the management and operation of the Oak Ridge National Laboratory (ORNL). The Draft Request for Proposals (RFP) consists of the model contract (Sections A through J) and the process by which proposals are to be prepared, submitted and evaluated (Sections L and M). This Draft RFP reflects a number of comments received on the draft Statement of Work released in October 1998. The purpose of releasing the complete Draft RFP is to afford prospective offerors and other stakeholders the opportunity to provide meaningful input on the definition of the work, the proposed terms of the contract, and the selection process. Your questions and comments are sought and should be submitted no later than January 20, 1999.

**Key Features of the Procurement**

**Scope** - The purpose of the resulting contract is the management and operation of the Oak Ridge National Laboratory and includes support of all DOE mission related work. The selected contractor will provide integrated line management of the research institution, aligning DOE multiple program scientific and technical missions with the appropriate resources, capabilities, and core competencies to deliver world class science and technology in a cost effective manner. ORNL conducts basic and applied research and development to advance scientific knowledge, the nation's energy resources, and environmental quality and strengthen educational foundations and national economic competitiveness.

**Partnerships** - Local and regional partnerships are very important to the DOE mission. The selected contractor is expected to maintain and enhance existing partnerships and develop new partnership activities in support of the DOE mission. The RFP solicits approaches for meeting this expectation.

**Spallation Neutron Source (SNS)** - The SNS project, initiated in October 1998, is extremely important to the neutron science user community. The estimated cost to build the facility is \$1.3

billion, and the current schedule is for the facility to begin operations at the end of FY 2005. The NEPA process is underway and the currently preferred facility site is ORNL. The SNS project is an important element of the Statement of Work and Evaluation Criteria.

**Environment, Safety and Health** - Safe accomplishment of the work and protection of human health and the environment are of primary importance. An Integrated Safety Management System is required and will flow down to subcontractors. The Contractor, or the cognizant subcontractor, is responsible for any required permits for its activities.

**Performance Based Contract** - The resulting contract will be performance based. Performance expectations identified in the Statement of Work include Science and Technology; Leadership; Environment, Safety, and Health; Infrastructure; Business Operations; and Stakeholder Relations. The selected contractor will meet these performance expectations through the accomplishment of critical outcomes based on performance objectives.

**Fee** - Offerors will propose a fee for the basic contract period. The amount of fee proposed shall not exceed, but may be less than, \$3.5 million for the first six months and \$7 million for each annual period thereafter. The method for the determination of the fee earned within the available fee offered in the proposal is still being developed by DOE. Earned fee will be tied to performance. This aspect will be provided in time to allow comment by January 20, 1999.

**Employee Transition** - A number of contract requirements are specified to facilitate a smooth transition of Lockheed Martin Energy Research employees to the selected contractor. These requirements include retention of substantially equivalent base pay and benefits and recognition of the current bargaining unit (ATLC).

**Corporate Citizenship** - DOE contractors are expected to be good corporate citizens in the communities in which they perform work. Therefore, offerors will include in their offer the degree of their proposed company and employee involvement with financial and non-financial commitments to area educational, cultural, civic, and health and welfare organizations.

**Contract Period** - The selected contractor will become responsible for the work on April 1, 2000, for a base period of 5 ½ years. An option period for an additional five years is included. A transition period is expected to begin February 1, 2000 and extend through March 31, 2000.

**Qualification Criteria** - Only offerors with at least \$50M in average annual research and development revenues/costs over the last three years that have been responsible for the operation and maintenance of an industrial/scientific infrastructure of at least one million square feet will be eligible for evaluation and award of the proposed contract. In addition, only proposals which take no exception to any of the terms and conditions of the model contract, Sections A through J, will be evaluated.

**Evaluation Criteria** - Evaluation criteria and relative weights of weighted factors are given below:

<b>Weighted Factors</b>		<b>Relative Weights</b>	
(1)	Management of Science and Technology		40%
	(i) Science and Technology Programs	25%	
	(ii) Spallation Neutron Source	15%	
(2)	Leadership		30%
	(i) Management Team	20%	
	(ii) Organization	5%	
	(iii) Transition Plan	5%	
(3)	Laboratory Operations		20%
(4)	Corporate Citizenship	5%	
(5)	Corporate Experience and Past Performance		5%

#### **Factors Considered but Not Weighted**

Cost and Fee

A comparison of the performance expectations to the evaluation criteria and Statement of Work is shown on the attached chart.

#### **Key Elements of the RFP Process**

This RFP contains the following key elements:

- ! Fee (Section B)
- ! Statement of Work (Section C)
- ! Special Contract Clauses (Section H)
- ! Standard Contract Clauses (Section I)
- ! List of Attachments and Exhibits (Section J)
- ! Instructions for Proposal Preparation (Section L)
- ! Evaluation Criteria (Section M)

The proposal will consist of three volumes:

**Volume I - The Offer** - The Offer consists of written information that is binding on the offeror and must include the following elements (among others):

- ! The Contract
- ! Key Personnel
- ! Corporate Citizenship
- ! Fee
- ! Small, Small Disadvantaged, and Women-Owned Small Business Subcontracting Plan
- ! Performance Guarantee Agreement

**Volume II - Technical and Business Management Proposal** - This part of the proposal will allow DOE to evaluate the offeror's understanding of, and capability to perform, the Statement of Work. It will consist of oral presentations to the DOE Source Evaluation Board as well as written material. The following topics are to be covered in the Technical and Business Management section:

- ! Leadership
- ! Management of Science and Technology
- ! Laboratory Operations
- ! Corporate Experience and Past Performance

**Volume III - Cost Proposal** - The cost proposal will focus on cost information for key personnel and transition.

Since it is the Government's intention to evaluate proposals and award a contract without discussions, each initial proposal should contain the offeror's best terms from a cost, fee, and technical standpoint. However, the Government reserves the right to conduct discussions if it later determines that discussions are necessary.

It is anticipated that a site tour will be conducted prior to the closing date for receipt of comments. Please look for times and dates on the Internet address given below.

Your questions and comments related to the RFP should be provided to Mary Lou Crow, via e-mail at [ORNLseb@oro.doe.gov](mailto:ORNLseb@oro.doe.gov) or facsimile at 423-241-1647. Questions and comments should identify the specific section or clause of the RFP to which they apply. Information regarding the Draft RFP as well as other information relating to the overall procurement effort is posted on the Internet at <http://www.oro.doe.gov/ornlseb>. All comments will be considered but no individual responses will be provided. As appropriate, questions and answers will be posted on the Internet. The identity of the organization and/or individual submitting comments will not be revealed.

### Comparison of Performance Expectations to Evaluation Criteria and Statement of Work

PERFORMANCE EXPECTATIONS	EVALUATION CRITERIA	STATEMENT OF WORK
Science and Technology	Management Approach to Science and Technology	C-1, C-2, C-3a-e, C-4, C-5
Leadership	Leadership	C-2, C-3g
Environment, Safety and Health	Laboratory Operations	C-2, C-3d
Infrastructure	Laboratory Operations	C-2, C-3f, C-6b
Business Operations	Laboratory Operations	C-2, C-6a, C-6c
Stakeholder Relations	Corporate Citizenship	C-2
N/A	Corporate Experience and Past Performance	N/A

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